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AUG 23 1955

THE Agricultural Situation

AUGUST 1955

Volume 39, Number 8

Get Ready for Storage, Grain Farmers Urged

IN VIEW of the big crops of grain expected this year, the Department of Agriculture is urging farmers to get ready to provide the additional storage space they will need.

Following the July Crop Report estimate, True D. Morse, Under Secretary of Agriculture, warned that grain storage "will be tight again this year."

"Feed grain production," he said, "will be especially heavy. The 1955 corn crop is now expected to be the second largest of record (July estimate, about 3½ billion bushels). The oats crop is also estimated to be the second largest we have harvested, while barley and grain sorghums may be at all-time record levels.

Carryovers Large

"In addition to the approximately one billion bushels of old-crop corn expected to be on hand when the new harvest starts October 1, we will also have record carryovers of most other grains.

"For the grain group as a whole, including soybeans and flaxseed, it is esti-

mated that there will be about 340 million bushels more than a year ago in total reserve stocks—before 1955 crops come in. This all adds to the storage pressure.

"The final outcome of this year's production will determine just how tight the situation will be. However, the July Crop Report indicates that there is storage trouble ahead.

"I cannot urge too strongly that farmers—especially in the Corn Belt—start planning now to buy or build any additional storage they will need. Adequate storage on the farm makes possible more effective farm management. It also enables the producer to take

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Published Monthly by the Agricultural Marketing Service
U. S. Department of Agriculture, Washington, D. C.

advantage of the available loan and purchase agreement programs.

"The Department of Agriculture will continue to do all it can to help meet the situation. It will move as much CCC grain as possible into emergency space, clearing the way for local storage. To this end, the Commodity Credit Corporation is prepared to buy additional storage bins to house some of its inventory stocks.

"In addition, the Department is continuing a number of programs to help producers increase their own on-farm storage facilities.

"In the final analysis, however, the farmers themselves should see that they have available the space needed to store current production—plus any stocks they carry over from previous years. Only in this way can they be in position to handle their crops in an orderly manner."

How "Uncle Sam" Will Help

The programs and special aids available to help farmers meet their own storage needs include:

- Corn, as well as six other crops produced in 1954 and now under loan or purchase agreement programs, can be resealed and held on the farm for another year—earning storage payments and helping the overall storage situation. 1953-crop corn, held under extended loans during the past year, can be resealed for a second year.

THE AGRICULTURAL SITUATION is a monthly publication of the Agricultural Marketing Service, U. S. Department of Agriculture, Washington, D. C. The printing of this publication has been approved by the Director of the Bureau of the Budget (January 20, 1955). Single copy 5 cents, subscription price 50 cents a year, foreign 70 cents, payable in cash or money order to the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

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The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

Outlook Highlights

. . . August 1955

HIGH FEED production features the outlook for near-record crop output in the 1955 season. Total output of the 4 feed grains is estimated at 136 million tons, 14 million above last year and 17 million above average, based on July 1 prospects. In addition, carry-over this fall is likely to top last year's record of 32 million tons by at least a fifth. Hay production probably will top all past marks. Much of the increase in feed production is coming on land taken out of crops under allotment.

With meat animal, dairy, and poultry production at record levels, total output of all farm products in 1955 probably will reach a new high.

Livestock

Rapidly increasing hog production is pushing meat production to another record. Farmers produced 9 percent

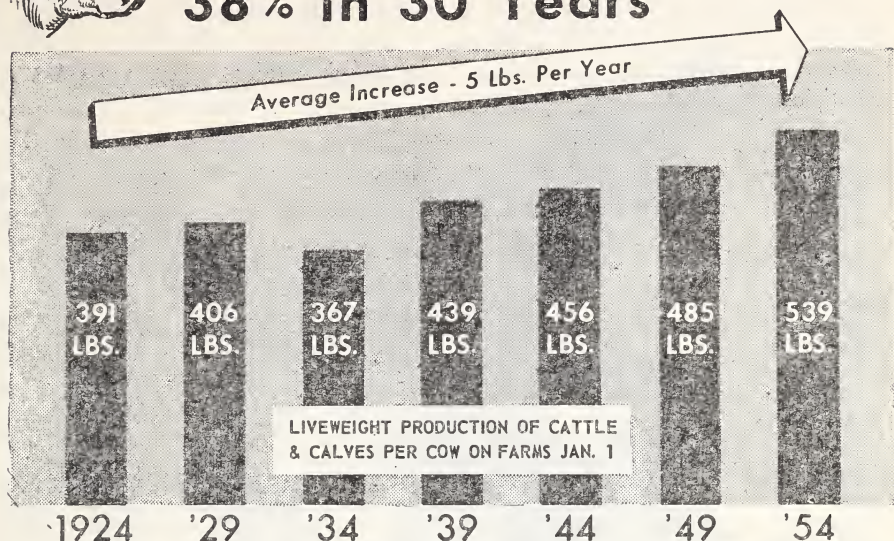
(Continued on page 14)

- Farm storage facility loans, under which farmers can borrow up to 80 percent of the cost of buying or building additional storage structures, are available from CCC through local farmer committees. Farmers have 4 years to pay off these loans, at 4 percent interest. A comparable program to help finance the purchase of portable drying equipment is also available.
- Under special income tax features, a farmer can amortize the cost of new storage facilities over a period of 5 years.
- Help is available from both Federal and State agricultural agencies in planning the most efficient storage for local conditions.

This program offers the opportunity for farmers to acquire and pay for the additional storage they need. By taking advantage of the resale and other programs, they can increase income to cover much or all of the cost of new facilities.



Cattle Productivity Up 38% in 30 Years



U. S. D. A.

AMS NEG. 1705-55 (7)

TRENDS

TODAY'S cattle are over a third more productive than their ancestors of 30 years ago.

In 1954, 539 pounds liveweight of cattle and calves were produced for each cow on farms at the beginning of the year. This was 148 pounds more than in 1924. Liveweight production includes the weight of calves produced and the gain put on cattle during the year.

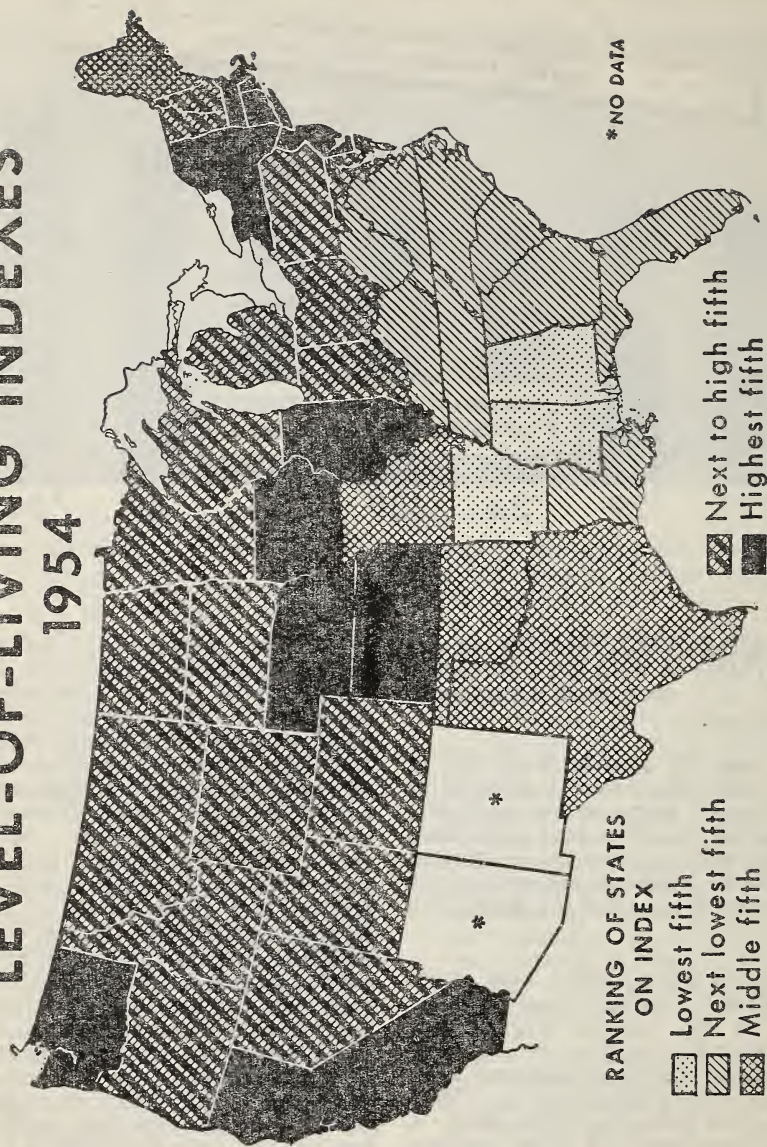
Better animals, better care, more feeding, and a swing to beef types account for this increase. Farmers pay more attention to the characteristics and genetic history of breeding cattle they buy than they used to. More productivity is bred into the stock. A higher proportion of cows produce calves, and death losses have been reduced. More cattle are now finished on grain feed, and the average carcass weight at slaughter has risen from 474 pounds in 1920-24 to 511 pounds in 1950-54. Also adding to output rates

is a higher proportion of cattle and fewer calves in total slaughter.

Part of the gain in productivity is accounted for by the larger number of beef cattle now in the cattle herd. In 1924, only 35 percent of all cows were beef cows; milk cows outnumbered beef cows about 2 to 1. Now, 50 percent of all cows are beef animals. Cattle of beef breeding put on gain faster and more efficiently than dairy cattle. Increased beef cattle in the inventory largely explains the heavier average slaughter weights and the higher proportion of mature cattle in slaughter. Producers and consumers both benefit from these trends. The producer has more beef to sell from his investment in cow herd, while the consumer has more beef to eat. Since cow numbers have increased from 34¼ million in 1924 to 48½ million in 1955, a record 79 pounds of beef is being supplied per person even though the population has risen in the same period by 38 million persons.

Harold F. Breimyer
Agricultural Economics Division, AMS

LEVEL-OF-LIVING INDEXES 1954



Looking At Living Standards Among Farmers

A LOOK at the map on the opposite page will give you a rough idea of how well farmers—on the average—live in a particular area as compared with those in other areas.

Families of farm operators in the areas shaded black apparently live unusually well. Ranked from high to low, these black-shaded areas rank the highest fifth in the country. Those living in the light-dotted areas, on the other hand, are in the areas rated the lowest fifth. Or you may find that your area is ranked in the middle fifth—diamond hatched; or in one of the in-between groups—next to the highest, or next to the lowest.

If you live in one of the “lowest fifth” areas, it doesn’t necessarily mean that your own living standard is low. For your own level may be above the average in the area. Again, we should remember that even the average family in the “lowest-fifth” category doesn’t necessarily have a poor standard as compared with other standards in the world. It is low only as compared with average levels in the rest of the United States.

Rankings on the map are drawn from “levels-of-living” indexes prepared by the *Agricultural Marketing Service*. The indexes are based on four key items judged by AMS economists to be a good measure of how well farmers—on the average—live in a particular area. The key items used are (1) percentage of farms with electricity, (2) the percentage with telephones, (3) the percentage with automobiles, and (4) the purchasing power of farm products sold from the average farm in the area. It isn’t the only way, of course, to measure how well farmers live, but it is a practical method of indicating the general improvement made, both for particular areas and for the country as a whole.

For the country as a whole, levels of living of farm operator families have

gone up more than a third in the past 10 years, the latest index shows. The level-of-living trend has been upward since the index was started in 1930, going up rapidly during 1940–50, which was a period of marked changes in the country as a whole. The rate of increase has slackened somewhat since 1950, but not at the same rate for all regions. A previous study covered the indexes from 1930 to 1950, and the recent report completes the picture through 1954.

Regional Changes

By regions, the Northeast and the North Central States show the smallest percentage increase since 1950. The South continued to make the greatest gain but still ranks lowest on the index. The West ranks highest but shows substantial gains for the 1950–54 period. New England and the Middle Atlantic States—the northeastern region—show an increase of 4 percent from 1950 to 1954.

The North Central region ranks high on the index, just below the Northeast, but percentagewise it has shown a greater increase than the Northeast since 1950.

Although the South continues to rank lowest on the index, the three geographic divisions included in the region continue to show the greatest percentage increase in the entire nation. Levels of living in the South Atlantic and East South Central States improved about one-fifth, according to indications supplied by this index. The index for the West South Central States rose about one-eighth. Much of this increase came between 1951 and 1952.

Among major regions the West has always ranked highest on the index, primarily because of the high index ranking of the Pacific division. The Pacific States rose significantly from 1950 to 1954, as in the 1940–50 decade. In both 1950 and 1954, the index for the West as a whole was substantially higher than the national average index.

Janet R. Stanton
*Farm Population & Rural
Life Branch, AMS*

"Bert" Newell's Letter

To Crop and Livestock Reporters

I NNOCENCE abroad—that's me. I took a long trip in June to attend a meeting of statisticians from all the Americas, held at Rio de Janeiro, Brazil.

I am a real tenderfoot when it comes to foreign travel. This was my first real taste of landing in a foreign country and struggling with making taxi drivers, hotel clerks, and shopkeepers understand what I wanted. And they had an equally hard time making me understand how much I owed them.

I knew how to say "Cuanto," which means "how much"—in case you don't know; but when they replied, I didn't know what they were saying.

A waiter at the hotel finally gave up and wrote "121" on a piece of paper. Now that meant "121 cruzeiros," that being their unit of exchange. As a matter of fact, I didn't know how to count in Portuguese above 5; so anything that got higher than that had me floored.

I still think the taxi driver did pretty well for himself when he picked off a 100-cruzeiro note for the short trip from the station to the hotel. But I let him keep it because he couldn't understand me and I couldn't understand him, and we would have been in a pretty bad mess trying to argue with each other. A hundred cruzeiros is big money down there; in our money, \$1.25.

WELL, I can't tell you all about the trip but it was a new and interesting experience. The Brazilian people were most hospitable and did everything to make our visit pleasant. I have a lot of new friends now and, in addition, I renewed acquaintance with some people who had visited in this country to study our methods.

Naturally, the thing I was most interested in was the crop and livestock estimating work in the other American countries.

I was very much impressed with the importance these countries attached to the basic statistics on agricultural production, prices, and the utilization of food and fiber. I have said several times, in writing to you, that we never really appreciate what we have until we don't have it. If you could have heard some of the problems that confront some of the countries because they lack adequate information on a basic thing like production, I am sure you would have been impressed, as I was, with the importance of lots of information which we just take for granted here in our own United States.

I was discussing our system of forecasts of probable production with one delegation and they said that such information would help them very much but it was just out of the question because they still lacked sufficiently accurate statistics of acreage and production on so many crops.

OF COURSE, there were some places too that had excellent information and I picked up some good ideas that we might use, too. For example, some countries are using certain sampling techniques that we might well try to adapt to our situation.

It was all very interesting and, I believe, very profitable to swap ideas with other countries and obtain a better understanding of our mutual problems. One thing though I am sure enough convinced of—there is no place like *our own USA*, and nothing that can beat the voluntary cooperation and support of $\frac{3}{4}$ million voluntary reporters.

In that number I include farmers, price reporters, gin operators, bankers, elevator operators, railroads, and all the rest of you folks who supply the basic information that goes into more than 500 reports each year.

Sterling R. Newell, Chairman
Crop Reporting Board, AMS

Survey Shows Value Of Molasses As Livestock Feed

A RECENT Agricultural Marketing Service survey of 181 farm users of liquid molasses gives further proof of the value of molasses as a livestock feed. These farmers reported molasses to be a good "supplement" feed, a valuable aid to digestion of poor quality roughage, and a feed ingredient which makes other less desirable feeds more palatable.

Farm users of liquid molasses were visited on a "spot-check" basis in several major livestock feeding areas during 1954. Object of these visits was to find out how farmers use molasses as feed, and to get—in the user's own words—some of the reactions to molasses feeding.

From these contacts it has been learned that molasses plays an important role in addition to its value as a carbohydrate feed. Its moisture can be a real advantage when feeding dusty feeds. Mixed with these dry feeds it settles the dust, binds the fine particles together, and prevents sifting or blowing of the feed before it is eaten.

Less coughing by animals and blowing of feed in the trough was reported among favorable reactions by users.

Its odor attracts animals. Some users reported that animals eat "anything" with molasses on it, once they acquire a taste for the molasses. Animals, as well as humans, have a "sweet tooth," and the sweet taste of molasses promotes the eating of many less palatable feeds which may otherwise be left uneaten.

Aids Digestive Process

For ruminant animals it promotes better digestibility of other feeds. Since the first or rumen stomach of a cow is a "bacteria factory"—as one farmer described it—and since sugar is a good food for micro-organisms, the use of molasses along with roughages that are difficult to digest makes the digestive job easier.

It has been indicated by nutrition studies that this relationship is true. It is found that the micro-organism

culture in the rumen is increased in vigor and does a more efficient job of breaking down tough woody parts of roughage feeds such as corncobs, cotton stalks, and cereal straw into digestible nutrients to be utilized in the latter train of the digestive tract when moderate amounts of molasses are fed with proteins and vitamins, such as are found in feed-mixing concentrates.

Animals Thrive On It

Better hair coat and improved appearance of livestock was reported by a large proportion of the farmers contacted.

This feature was especially important to raisers of sheep. Wool from sheep fed on molasses was reported to have better curl and brought a better grade if properly cleaned before shearing time. The experiences of sheep raisers indicate, however, that molasses can be a disadvantage if fed right up to shearing time. Some of it naturally gets into the wool and it takes three to four weeks for it to disappear.

Sheep raisers advise taking sheep off molasses, particularly if fed in liquid form, at least 3 weeks before shearing. A note of sadness, too; ewes fail to recognize and claim their lambs if they get too much molasses on them from a fall into the trough.

Molasses was beneficial in time, feed, and labor saved for a group of open range cattle feeders. Twine-tied bales of hay were soaked with 1 to 2 gallons of undiluted molasses and left, still bound, at range feeding points. The first day cattle would chew at the bale, generally not enough to open it. By the second day of feeding the binding was loosened and the remainder of the bale was eaten. Molasses attracted animals to eat at tied bales; and when the binding loosened, it served to hold feed together, against the wind, and more of the feed was eaten. Using this method, feeding was put on an every-other-day basis instead of daily as heretofore practiced.

Among the feeders surveyed, live-

stock feeder lot operators were the most experienced users of molasses. Many reported continuous use for periods longer than 25 years. Rapid gains in a short time interval, and full consumption of a dry feed ration is the aim of the feeder lot operator.

Molasses moistens the feed, makes it more palatable. Cattle eat more feed, and digest it better. These are some of the comments on molasses from the group studied.

Has Price Advantage

The price of molasses as a carbohydrate feed was advantageous in most areas, especially when bought in large lots. Six and one-half gallons (76 lbs.) of molasses is equal to 1 bushel of shelled yellow corn in carbohydrate feeding value. This is a good rule-of-thumb measurement used in buying molasses for feed (*see box for source of price information*).

Users also reported some problems with molasses. It is a liquid feed, sticky, slow flowing and heavy to handle by hand (it weighs almost 12 pounds to the gallon). When diluted with water, it is much more fluid and easier to mix, spread, or pour; but, in this form, it is highly perishable and no more should be diluted than will be used up in a single feeding. (*Dilution with one or more parts of water was the usual practice.*)

Molasses can produce scours if fed too freely at first. Its mineral content is laxative; and when used in too liberal portions, scouring occurs. To prevent this, full feeding before admitting animals to the molasses trough and limited times at the trough are practiced in the beginning of molasses feeding to each animal. After a short period, 4 to 6 pounds per day per 1,000 pounds of body weight can be eaten without trouble. Most animals adjust themselves to this intake.

Flies and other insects like molasses too. They get into feeds, troughs, and on animals eating molasses. Some users reported discontinuance of direct feeding of liquid molasses during the fly season, or a shift to mixed feeds or roughages with the molasses poured on.

THE Agricultural Marketing Service issues a weekly market report giving prices, supply and demand conditions, and other market information for molasses.

This information is available for each of the major distributing points.

Requests should be addressed to *Agricultural Marketing Service, Fruit and Vegetable Division, USDA, Washington 25, D. C.*

Most of the users were found to be applying feeding methods and procedures described in a recent USDA publication, "Feeding Molasses to Livestock." This information booklet has received wide attention, more than 100,000 copies having been issued since its publication; and it is one contribution to a cooperative effort by the Department, sugar producers, and molasses distributors to discover a new and expanded market in the feed trade for this agricultural byproduct.

Since World War II ended, except for a brief period following outbreak of hostilities in Korea, molasses has suffered for want of a market. For years its primary outlet had been as a raw material for making industrial alcohol. During recent years, this important market has been rapidly absorbed by a cheaper material, synthetic alcohol from ethylene gas and ethylene sulfate, byproducts of the petroleum and petrochemical industries.

The feed trade was the most likely prospect for a new and expanded market of sufficient volume to use all the molasses available. Earlier experiments and nutrition studies had indicated its utility as a feed. Feed manufacturers, particularly in pelleted and dusty feeds had found molasses to be a valuable ingredient. Today a large proportion of ready-mixed feeds contain some molasses.

In addition to the mixed-feed trade as an outlet, direct sales of liquid molasses to farmers and ranchers was promoted by the distributors of molasses.

Frederick J. Poats
Marketing Research Div., AMS

Looking at "Fire-Cured" Tobacco

YOU FARMERS who grow *fire-cured* tobacco handle only a small part of the total tobacco crop but it's important just the same. Compared to the popular cigarette tobaccos, flue-cured and burley, which are grown so extensively in the Southeastern and South Central States, your *fire-cured* holds a fairly modest position. Fire-cured, nevertheless, is grown by about 26,000 farmers on 48,000 acres and for many years has played a significant role in the Nation's economy.

Sales of fire-cured last year brought farmers 24 million dollars. A substantial share is exported for various products abroad, and here at home its principal use is in the manufacture of snuff.

As the name implies, one of the major distinctions of fire-cured tobacco is its method of curing. Flue-cured tobacco is cured by heat channeled through metal flues, and burley is cured primarily by natural air circulation. Fire-cured types, on the other hand, are cured by fires built on the dirt floors of curing barns. In some areas, slow-burning fires of hardwood and sawdust are built to make a heavy smoke and impart a special odor to the leaves; in other areas, more use is made of the direct heat. Over a period of several weeks, the fires are alternately extinguished and rekindled to allow the leaf to soften—"come into order"—and to dry out again.

Grown in Three States

Virginia fire-cured, type 21, is mainly grown in central Virginia. Kentucky-Tennessee fire-cured tobaccos, types 22 and 23, are grown in southwestern Kentucky and northwest-central Tennessee. Type 22 is frequently designated as Eastern District or Hopkinsville-Clarksville Belt, and type 23 is designated as Western District or Paducah-Mayfield Belt. Formerly, another type of fire-cured known as Henderson stemming, type 24, was produced in western Kentucky, but this type had diminished to insignificance by the late 1940's.

After reaching peak levels, during

the late years of World War I, the production of fire-cured tobacco began to turn downward. During the early 1920's, production averaged about 225 million pounds—17 percent of our tobacco production. Since that time, although fluctuating somewhat from year to year, there has been a persistent decline—both in absolute volume and, even more so, in comparison with total tobacco produced in this country. The 1952-54 average output was 56 million pounds—only a little over 2½ percent of all tobacco grown in the United States. The large expansion in the popular cigarette tobacco types was a major factor in reducing the percentage share occupied by fire-cured.

The downtrend in fire-cured tobacco resulted from changes in consumer tastes abroad and at home. In the middle and late 1920's, approximately 140 million pounds (farm-sales weight) of fire-cured were exported—roughly three-fourths of its annual disappearance. By the last half of the 1930's, exports of fire-cured had dropped to an annual average of 67 million pounds and during 1951-53, to an average of 28 million.

"Snuffing" and "Dipping"

The principal domestic outlet for fire-cured tobacco is snuff—a tobacco product that has been remarkably stable in this country for a long time. Many years ago, fire-cured tobacco also found an outlet in Toscani cigars manufactured in this country, but these are of little importance today. Other domestic uses, for relatively small quantities, are plug chewing tobacco and some smoking mixtures. Consumption of chewing and smoking tobacco has declined sharply from the levels of the interwar years.

For the year ending June 30, 1955, snuff consumption in this country is estimated at near 39 million pounds—the same as in 1953-54. This represents practically our entire snuff output, since exports and imports of snuff are negligible.

The major part of snuff consumption

for many years has been by placing it in the mouth rather than by snuffing in the nose. In some sections, snuff is used on the end of a blackgum home-chewed toothbrush. This is called "dipping." You jerk a tiny limb, smaller than a pencil, from a gum bush. Then, you chew the severed end or knot it until it comes to be the soft wet brush that you dip into your snuff box and into your mouth.

The principal snuff-using centers are in the South, and in some areas of the Northwest. Since 1920, annual snuff consumption has varied only moderately—between 36 and 41 million pounds—except during World War II years, when it reached a peak of over 43½ million in 1945. Although snuff has been stable in total, the United States population has increased considerably . . . so that yearly consumption of snuff, per person 15 years and over, has fallen from about one-half pound in the 1920's to one-third of a pound in recent years.

The major foreign destinations for fire-cured tobacco in the 1920's and early 1930's, when the export volume was so much greater than in recent years, were France, Spain, Belgium, Netherlands, Germany, United Kingdom, Norway, Italy, Switzerland, and Sweden.

These same countries have been the major customers in post-World War II years; but—except for the Netherlands and to a lesser extent, Norway and Switzerland—they have taken much less than in the 1920's and 1930's.

The decline in the use of United States fire-cured abroad has been attributable mainly to a shift in consumer preference towards cigarettes made from light tobaccos; and to the increased production of substitute tobaccos in some of these importing countries, also in other exporting countries. World War II interrupted trade with continental Europe and gave impetus to adverse trends already under way in prewar years. American blended cigarettes attained great popularity in the late war years and thereafter.

Quotas in Effect

After being suspended from 1943 through 1945, Government marketing quotas were re-established on fire-

cured tobacco in 1946 and have been continuously in effect ever since.

Growers of fire-cured tobacco have overwhelmingly approved marketing quotas in four referendums since the end of World War II. Each time the approval was preponderantly in favor of quotas to be in effect for the next 3 years. In last December's referendum, 96 percent of the growers voting approved quotas on their 1955, 1956, and 1957 crops. By law, when quotas are in effect, growers receive Government price support for their fire-cured at 75 percent of the loan level for burley tobacco.

In the 9 crop seasons beginning with 1946, growers placed about 164 million pounds of fire-cured tobacco under Government loan; and, through mid-1955, 69 percent of it had been moved into trade channels.

Price support for last year's fire-cured crop was 34.8 cents per pound and the season average price received by growers was 37.8 cents. The Department of Agriculture has announced 34.6 cents per pound as the minimum level of support for the 1955 fire-cured crop. Virginia growers usually start their crops to the auction markets around December 1, while Kentucky-Tennessee growers begin to market in January. The auction markets usually close before the end of March. In recent years, 93 percent of the crop went to auctions and the rest, mostly Eastern District type 22, was bought at the farm.

This year's fire-cured tobacco crop, as of July 1, was indicated at 59 million pounds from the second smallest acreage on record. Acreage allotments are 10 percent less than last year. Carryover on October 1 probably will be down a little, and total supply for 1955-56 may be around 3 percent below 1954-55.

Domestic use of fire-cured during this marketing year, ending September 30, is estimated at about the same as a year ago. However, exports may be the largest in 4 years. This increase is mainly attributable to the sizable shipment to France, under Section 550 of the 1953 Mutual Security Act, whereby local currencies were accepted for exports of surplus commodities.

Arthur G. Conover
Agricultural Economics Div., AMS

Hog Picture is Different . . . Changes In Production and Price Patterns

AT ONE TIME, most pigs were born in the spring. They grew leisurely during the summer, were fattened on new corn in the fall, and were slaughtered in early winter. Now, pigs are born round the calendar. Producers have gone a long way toward raising hogs at all seasons, and turning out an ample supply of pork throughout the year.

Some changes are recent, and still going on. Because of them, seasonal fluctuations in marketings and prices of hogs are different from what they used to be. General seasonal patterns in meat animals were reviewed in the July issue of the *Agricultural Situation*. This month, we are describing patterns in production and prices of hogs in fuller detail.

Foremost change in hog production by seasons has been to bring the two pig crops more nearly into balance. Back in the 1920's the fall crop was

only half as large as the spring crop; now, the fall crop is two-thirds the size of the spring crop.

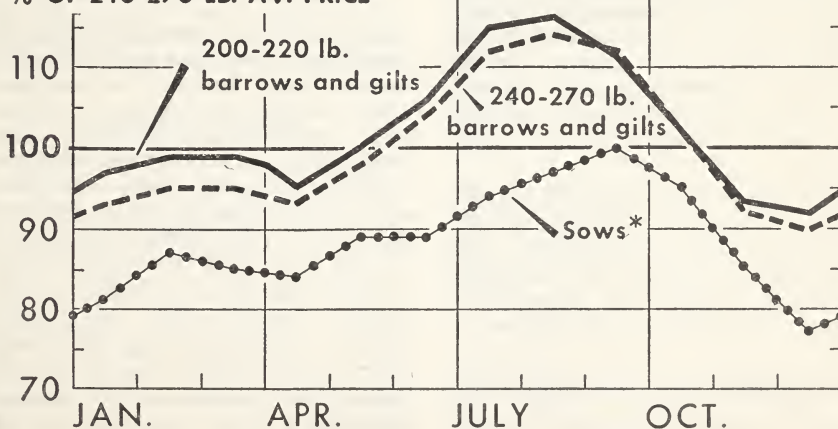
A second change is to make farrowings both earlier and more evenly spaced. More sows now farrow in the winter and in the summer. In the early 1930's only 15 to 20 percent of all spring farrowings (December through May) came before March 1. As recently as 1950 this percentage had not increased much. But in 1955, 30½ percent of the spring farrowings were before March 1. Similarly, a quarter-century ago about 20 percent of all fall farrowings (June–November) were in June and July. Last year, 29 percent were in those 2 months.

Big Farrowings in February

February has become an important farrowing month. In 1930, about 2½ times as many sows farrowed in May as

SEASONALITY IN PRICES OF LIGHT AND HEAVY HOGS

% OF 240-270 LB. AV. PRICE



CHICAGO PRICES. NORMAL SEASONAL VARIATION FOR POSTWAR YEARS (1947-53).
RATIO BETWEEN WEIGHTS AND CLASSES IS 1947-53 AVERAGE *ALL WEIGHTS

in February. In 1955, there were more February than May farrowings.

Not only are pigs born earlier, but they are raised and fed faster. As a result, they go to market earlier in the year. The number of hogs slaughtered in September, October, and November has increased relative to other months. The same is true for March. February, May, June, and July are smaller slaughtering months than they once were. In the 1920's, January slaughter exceeded November by a fourth; in the 1950's, November commonly surpasses January. Years ago, May and June slaughter was virtually as large as March. Currently, March slaughter is much the larger.

Top Prices in Summer

Late fall and early winter are still the time of largest slaughter. A third of the year's total slaughter comes in the 3 months November to January. Mid-summer remains the period of least slaughter. The supply of barrows and gilts is especially small then, but slaughter of sows is larger from June to August than at any other season and prevents the supply of all hogs from dropping extremely low.

Prices of hogs take an opposite course to slaughter. More often than not, they are at their year's low in December. They rise gradually to a minor winter peak, in the most typical trend. However, the winter price recovery is both smaller and less reliable than it once was. Increased numbers of fall pigs have brought a larger winter slaughter and lessened winter price strength.

From January to April the normal price change is small. Prices often dip about April, though not always. But they almost invariably increase during late spring. July and August are usually the months of highest prices.

Price Changes First for Light Hogs

Seasonal price patterns are similar for all weights of hogs, yet not identical. Price changes come first for the lightest hogs. They are slightly later

for medium weights. They are delayed more for heavy hogs, and latest of all for heaviest barrows and for sows. Prices of lightweight barrows and gilts, in a normal year, nearly hit their peak by July and by early fall are declining fast. Prices of heavy barrows hold high longer and usually do not break sharply until October. Prices of sows are even slower to attain their year's top level. Prices of all heavy hogs drop even faster than light hogs in late fall and by December are much below the lighter weights. While prices of heavy barrows remain discounted during the winter, prices of sows usually recover a good deal.

Producers can often take account of normal seasonal price changes when planning their production and marketing. Some can profitably arrange to have hogs ready for market at high price seasons. Of course, each producer is governed by his own circumstances.

Also, seasonal price trends are worth considering when deciding how heavy to feed hogs. As a rule, it pays to feed hogs fairly heavy in a season of rising prices, but it is best to sell light ahead of a price downtrend.

Many Years Not "Normal"

We must always remember that the trend in any given year may not be the "normal" one. In 1955, for example, more previous spring-crop hogs than usual were held for marketing after January 1. As a result, prices declined until early March. Signs are that hogs will be marketed earlier this fall than last. Price declines accordingly may be early, and the season's lowest price might be reached several months earlier than last year. "Normal" seasonal patterns are always a good starting point for estimating future price trends, but the special conditions in each year must also be considered.

Harold F. Breimyer
Agricultural Economics Division, AMS

Fruit and Vegetable Growers Protected by the Perishables Act

HAVE YOU EVER had trouble getting paid for produce you shipped?

Let's say you are a farmer who produces fruits and vegetables. You have shipped a carload of produce across country to a dealer on a terminal market. The produce is to be sold by the dealer for your account. You agreed to pay the transportation and the dealer's commission for selling the merchandise. He agreed to return to you the proceeds of the sale, less allowable expenses.

The produce is of good quality at the time of shipment. It arrives in good condition. You already have an investment of several hundred dollars. But you are in no position to keep tab on the merchant hundreds or thousands of miles away to whom you have entrusted your merchandise.

You wait a reasonable length of time for an accounting and for your share from the sale of the produce. Time goes by. No accounting is rendered. You wire, phone—even write letters. Finally, after all other efforts fail you begin to explore the possibility of taking civil action to recover the value of the produce. You learn that court proceedings are costly. Chances are you will conclude that a court action will cost more than you could hope to recover. What would be your final decision?

You Have a Remedy

There is no reason why you should be bilked on a transaction of this type. And generally speaking, there is no reason why you should pay additional money to recover what is justly yours.

Why? Because the U. S. Department of Agriculture administers the Perishable Agricultural Commodities Act, known familiarly as the PACA. This act is designed to suppress unfair and fraudulent practices in the buying and selling of fruit and vegetables in interstate and foreign commerce, and no charge is made for handling such complaints.

Though the title of the act may sound formidable and the provisions of the act are couched in legal terminology, the activities of the Department's Regulatory Branch for fruits and vegetables are strictly down to earth. Speedy action is taken on complaints filed with the Branch; investigations are a part of a normal day's business. The Branch is always on the lookout for persons engaging in unfair practices in buying and selling fruits and vegetables. A phone call to one of the offices of the Regulatory Branch is sufficient to get you advice, without charge, of your rights and liabilities in connection with your transaction.

AMS Takes Action

You would be advised to submit your entire file of papers on the deal. Upon receipt of your papers and your statement of complaint, the PACA office of the *Agricultural Marketing Service* would begin to act.

The dealer against whom you filed a complaint would be notified of its nature and given an opportunity to make satisfactory adjustments. If the complaint is not promptly satisfied on an informal basis, the matter would be made the subject of a personal investigation by the Branch. The receiver's records would be thoroughly examined and an accounting on the carload prepared by the investigator. If the investigation revealed that money was owing to you, the receiver would be called upon to pay it promptly.

If the receiver refused to pay, his failure to account could, at your election, be made the subject of a formal action under the PAC Act. If formal complaint were successfully pursued, the Secretary of Agriculture would hand down a reparation order calling for payment within a matter of days. If the order was not satisfied by the dealer within the specified time, his license to do business under the PACA would be suspended. Such a suspension has the effect of putting a dealer out of business. You, in turn, could

reduce the Secretary's order to a judgment against the dealer.

That the PACA is good workable legislation is evidenced by the record. The Act has been in effect since 1930. Only an occasional amendment has been needed to plug loopholes found by some of the operators. The Act requires that commission merchants, dealers, and brokers engaged in buying, selling or negotiating sales of fresh or frozen fruits or vegetables be licensed. The penalty for operating without a valid and effective license is \$500 per transaction and \$25 per day for every day the offense continues.

Today, over 26 thousand licenses are in effect, covering the activities of individuals and organizations buying and selling fruits and vegetables in interstate and foreign commerce.

You should not conclude from the example cited that the PACA deals only with consignment transactions. Contracts calling for purchase and sale of fruits and vegetables are the subject of most of the complaints. However, each complaint, regardless of its nature, receives all attention necessary to bring it to a satisfactory close.

Actions which are considered to be unfair practices within the meaning of the act include (1) failure to account and pay for produce purchased or delivered for sale for the account of another; (2) failure to deliver produce in accordance with a contract of sale; (3) rejection without reasonable cause of produce delivered in compliance with a contract of sale, and (4) fraudulent misrepresentation of produce shipped in interstate commerce.

Good Business Judgment

The PACA is not intended as a cure-all for the evils which are bound to crop up in an industry so widespread as the produce trade. A great volume of business is done merely by word of mouth. But there is no substitute for exercising good business sense and prudence. A prudent businessman satisfies himself that (1) the person with whom he is doing business is morally and financially responsible; (2) both buyer and seller are in complete agreement regarding the terms of the contract they are entering into, and (3)

Outlook Highlights

(Continued from page 2)

more pigs this spring than last. They intend to have 11 percent more sows farrow this fall. This points to a 1955 pig crop of 101 million, only a million less than the peacetime record of 1951.

Plentiful supplies of feed at lower prices have stimulated hog raising. So have the price declines for cattle, dairy, and poultry products over the last 2 or 3 years.

Hog prices will decline seasonally this fall and are expected to be considerably lower than last fall. By winter, they may be not greatly different from the lower levels of last winter.

Cattle production, in contrast to hogs, is stable. Numbers on farms have

the terms of the agreement are set down in writing.

If you will use these rules of thumb in your everyday business dealings, you will eliminate nine-tenths of the uncertainty in any transaction. If you will protect yourselves by using good business judgment, the job will be made much easier, because the rights and liabilities of disputing parties are readily recognized when the facts regarding any transaction are set down in writing.

The Department has compiled, in convenient booklet form, the trade terms and definitions commonly used by the produce industry when negotiating contracts. The various definitions outline the liability of the buyer and seller in the many types of contracts they enter into. The booklet titled "Trade Terms and Definitions" may be obtained, free of charge, by writing direct to the U. S. Department of Agriculture, Agricultural Marketing Service, Fruit and Vegetable Division, Regulatory Branch, Washington 25, D. C., or to any of the Branch's field offices—at New York City, Chicago, Ill., Los Angeles, Calif., Fort Worth, Tex., or Winter Haven, Fla. Complaints regarding transactions involving the marketing of fruits and vegetables in interstate commerce may also be filed with these offices.

J. J. Dimond, *Regulatory Branch
Fruit & Vegetable Div., AMS*

Outlook Highlights

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changed little for more than 2 years . . . probably are not changing much this year. Slaughter so far in 1955 indicates a small decrease is more likely than an increase.

Dairy

Recent developments point to increased production of milk late this year or in 1956. Prices of milk and butterfat have become more favorable compared with other livestock products and feed than in the last 2 years. The record supplies of feed grain and hay also will tend to boost output.

Poultry and Eggs

Egg prices this fall are expected to rise considerably above the unusually low level of last fall. Increase will come from lower production expected because of reduced number of young chickens on farms.

Crop of heavy turkeys this year is expected to be close to last year's record but is coming along later. Marketings early this fall are likely to be smaller than last year and prices may be higher. Slaughter in November and December probably will be about up to last year's level.

Broiler chick placements and number of eggs in incubators indicate marketings will continue large through September.

Wheat

The wheat crop this year, estimated at 860 million bushels on July 1, is a little less than probable disappearance in 1955-56. Prices early in the season probably will not fall as far below the loan as in other recent years. Average for the year may be around \$2.

Cotton

Farmers had 17,096,000 acres of cotton in cultivation on July 1, over a million less than the 1955 allotment and 2.7 million less than the acreage a year earlier. (You will have read the August 8 report on cotton production—first official report of the year on cotton production—when you read this statement.)

Fats and Oils

We are using or exporting a tenth more food fats in the October 1954-September 1955 marketing year than in 1953-54. Exports are up most but domestic use also is higher. Stocks next October 1 will be sharply below high levels of the last 2 years. As a result supplies for 1955-56 may be 5 percent below 1954-55, even though record production is likely.

Tobacco

Production of tobacco this year is expected to total 2,173 million pounds, 3 percent below 1954. The flue-cured crop of 1,412 million pounds is 7 percent above last year and second largest on record, but the burley crop of 502 million is down a fourth.



August Plentiful Foods

Features:

Broilers and Fryers

Canned Grapefruit Sections

Other Plentiful: Potatoes . . . Fresh and Processed Lemons and Limes . . . Watermelons . . . Fresh Grapes . . . Summer Vegetables . . . Beef . . . Lard . . . Milk and Other Dairy Products . . . Vegetable Fats and Oils . . . Fresh and Frozen Halibut . . . and Rice.

GROWERS of broilers and fryers and grapefruit get an extra marketing boost this month from the U. S. Department of Agriculture, in efforts to increase consumption of agricultural products in heavy supply.

Broilers and fryers and canned grapefruit sections are featured on USDA's Plentiful Foods List for August—a list of foods that need extra merchandising help to move them from producer to consumer through regular trade channels.

With an estimated 16 percent more broilers and fryers available this month than there were last August, USDA has designated broilers and fryers as an August "feature." With feature status, broilers and fryers will be emphasized in the program to increase consumption of plentiful foods.

Farmers' Prices

INDEXES 1910-14=100	1954		1955			
	July	Year (average)	April	May	June	July
Prices Received by Farmers	245	249	247	244	243	237
Parity Index (<i>Prices Paid, Interest, Taxes, and Wage Rates</i>)	280	281	284	282	282	281
Parity Ratio	88	89	87	87	86	84

FARMER'S SHARE of consumer's food dollar—41 percent in June 1955; 42 percent in June 1954

USDA efforts to encourage consumption of canned grapefruit sections are aimed at improving the winter market for grapefruit growers, who would find it harder to sell this season's crop if the market were burdened with large supplies of processed grapefruit.

Stocks of canned grapefruit sections currently are about 50 percent greater than they were last year at this time, and the industry has a special campaign under way to sell them. Featuring of canned grapefruit sections on the Department List is timed to tie-in with the industry promotion.

The Department is enlisting the food trades cooperation to market the items appearing on the August Plentiful Foods List by asking wholesalers, retailers, and other segments of the food trades to concentrate their merchandising efforts on these foods. At the same time, USDA is using its informational facilities to encourage consumers to buy and use more of these abundant farm products.

UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON 25, D. C.
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)